



Saskatchewan

Agricultural Labour Market Forecast to 2025



CANADIAN AGRICULTURAL
HUMAN RESOURCE COUNCIL
CONSEIL CANADIEN POUR LES
RESSOURCES HUMAINES EN AGRICULTURE



Funded by the Government of
Canada's Sectoral Initiatives Program



Across Canada, the agriculture sector will face unique labour market challenges in the coming years. This report explores the ways in which those challenges will impact the province of Saskatchewan between now and 2025.



Provincial Overview

A significant contributor to Canada's 'grain and oilseed'* production, Saskatchewan's agriculture sector faced a costly labour gap in 2014, and that gap is expected to widen over the next 10 years.

In 2014, Saskatchewan was a significant employer in Canada's agriculture sector, employing 43,600 people, or 12% of Canada's agricultural workforce.

This province is also the most heavily reliant on agriculture employment, with more than 7% of its workforce directly employed in agriculture.

The top agricultural employer is the 'grain and oilseed' industry, which accounts for 50% of the province's agricultural workforce. Saskatchewan is also the biggest employer of 'grain and oilseed' workers in Canada, accounting for 40% of the nation's total workforce for this industry.

The province's second most significant agricultural employer is the 'beef' industry, accounting for nearly one in five (18%) of the province's agricultural workers.

Saskatchewan's agriculture sector has limited access to foreign workers and the lowest reliance on this labour source: only 1.1% of the province's agricultural workforce is foreign, compared to 12% Canada-wide.

In 2014, Saskatchewan's employers were unable to fill 4,500 vacancies. This was equivalent to nearly one in 10 jobs, or 9% of the workforce required. This labour shortage cost the sector \$239 million, or 1.8% of sales, and also impacted its ability to expand and grow.

Looking ahead to 2025, Saskatchewan's labour challenges are expected to intensify. The province's agriculture sector is entering a decade of moderate growth in the demand for labour, but the labour pool

* The Labour Market Information data classifies Canada's agriculture sector into 11 commodity areas: 1) 'apiculture'; 2) 'aquaculture'; 3) 'beef'; 4) 'dairy'; 5) 'field fruit and vegetable'; 6) 'grain and oilseed'; 7) 'greenhouse, nursery, and floriculture'; 8) 'poultry and egg'; 9) 'sheep and goat'; 10) 'swine'; and 11) 'tree fruit and vine'.

Saskatchewan's agriculture sector at a glance

In 2014:

- 43,600 people employed
- 1.1% foreign workforce
- 4,500 jobs left unfilled
- \$239 million in lost sales due to labour shortages

In 2025:

- 49,600 workers needed
- 30% of the workforce lost to retirement
- 13,000 jobs potentially left unfilled

is expected to shrink, due in large part to an aging workforce. Saskatchewan's agricultural workforce is one of the oldest in Canada: in 2011, 70% of the workforce was 45 years of age or older. Over the next decade, a wave of retirements is expected to reduce the size of the workforce by nearly a third (30%) and widen the labour gap significantly.

Unless Saskatchewan can find alternative sources of domestic or foreign labour, the growth potential of one of its vital sectors and its key contribution to Canada's 'grain and oilseed' industry will be at risk.



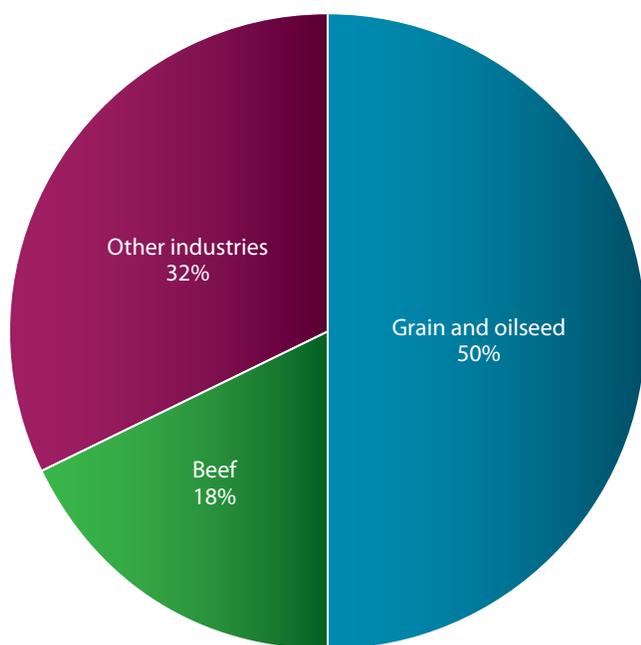
Key Agriculture Industries

Saskatchewan's agricultural workforce is dominated by the 'grain and oilseed' industry.

In 2014, 50% of the agricultural workforce within the province were employed by the 'grain and oilseed' industry, with the 'beef' industry accounting for a further 18% of the sector's workforce.

Saskatchewan accounts for a considerable share of Canada's agricultural employment in these two industries. The province accounted for 40% of Canada's 'grain and oilseed' workforce in 2014, ahead of Alberta (23%) and Manitoba (17%). The province also accounted for 19% of the nation's 'beef' industry workforce, with only Alberta (35%) and Ontario (22%) employing larger shares.

Saskatchewan's Agricultural Employment Profile



Production Trends

A positive production outlook for Saskatchewan's top two agriculture industries will boost the demand for labour across the province.

Between 2004 and 2014, the number of farms in Saskatchewan declined by nearly one quarter (22%), with smaller farms consolidating into fewer, larger farms. During this period, farms became more efficient and were able to boost productivity without hiring additional workers.

However, looking ahead to the next 10 years, the two biggest employers in Saskatchewan's agriculture sector, the 'grain and oilseed' industry and the 'beef' industry, have positive production outlooks. The 'grain and oilseed' industry is expected to increase production by an average of 2.6% per year between now and 2025, while production in the 'beef' industry will increase by 2.5% per year over the same period. While the productivity of these industries, or the output each worker can produce, is also predicted to increase, additional workers will still be required to meet production targets.



Labour Forecast

A growing demand for labour and a shrinking supply of domestic workers will widen Saskatchewan's labour gap, with the 'grain and oilseed' industry hardest hit by labour shortages.

The demand for agricultural workers in Saskatchewan is expected to grow by a modest 0.3% per year over the next 10 years, rising from 48,300 workers in 2014 to 49,600 by 2025. This growth rate is slightly lower than the national average of 0.5%.

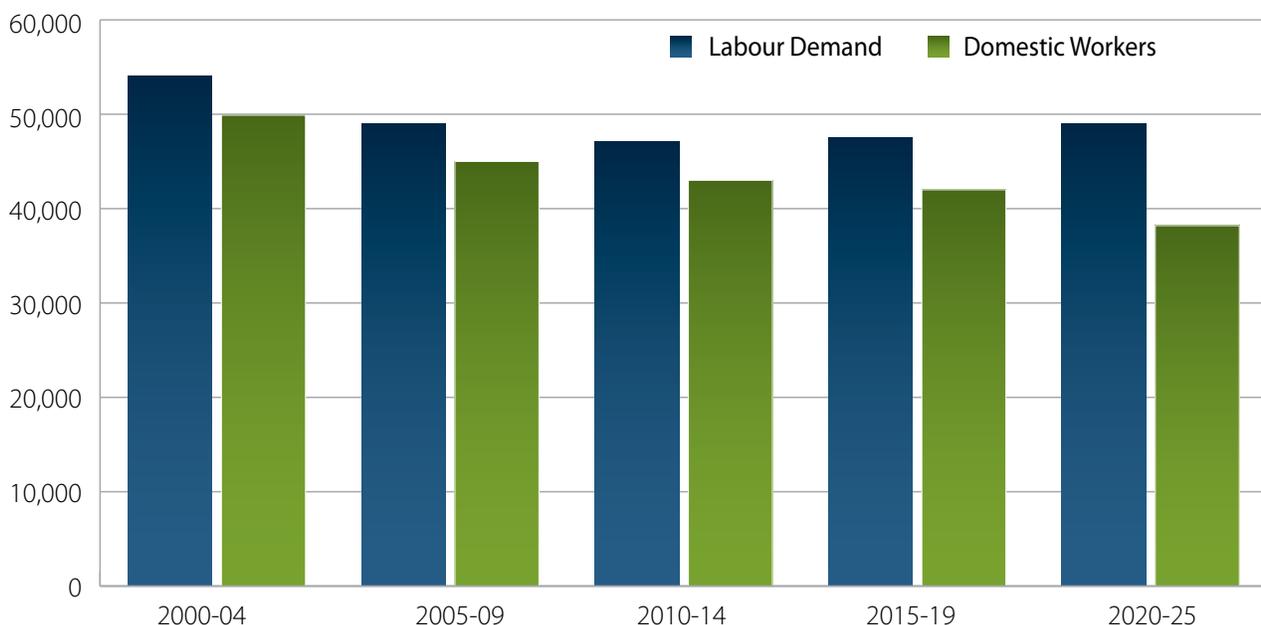
While the demand for labour will rise, the supply of domestic workers is predicted to shrink, with 7,400 fewer Canadian residents available to work in Saskatchewan's agriculture sector by 2025. This means that over the next decade, the number of jobs that can't be filled with domestic labour will triple, increasing from 4,100 to 13,000, and the percentage of jobs at risk will rise from 9% to 26% of the total workforce required to support the industry. Put another way, within 10 years, more than one in four agriculture jobs in this province will remain vacant unless more foreign or domestic workers can be found.

RESEARCH HIGHLIGHTS

- **47%** of Saskatchewan farmers were not able to find all the workers they needed in 2014, compared to 41% across Canada.
- **59%** of Saskatchewan farmers expect employment at their farm to rise over the next five years, while only 4% expect to see a decline.

The labour gap will widen further for some industries than others, and Saskatchewan's two most important agricultural industries will be hardest hit by labour shortages. The 'grain and oilseed' industry will need to cope with roughly 4,600 additional jobs that the available domestic labour pool can't fill, while the 'beef' industry will see an additional 3,100 jobs at risk. While the number of jobs at risk in the 'beef' industry is lower than the number for the 'grain and oilseed' industry, this number represents a larger share of the total workforce: more than one in three jobs in the 'beef' industry (37%) will be at risk by 2025.

2000 – 2025: The Labour Gap Widens for Saskatchewan's Agriculture Sector



Foreign Workers

Saskatchewan's agriculture sector has the lowest reliance on foreign workers of any province.

Foreign workers accounted for just 1.1% of the province's agricultural workforce in 2014, compared to 12% for all of Canada. This is the lowest share of any province.

The low share of foreign workers is linked to the comparatively large number of workers in the province's 'grain and oilseed' industry. 'Grain and oilseed' commodities are not included on the National Commodities List, which is a list of agricultural commodities maintained by Employment and Social Development Canada. Only producers of commodities on the list qualify for the Seasonal Agricultural Worker Program (SAWP) and the Agricultural Stream, which are the two most common ways that farm operators gain access to foreign workers.

RESEARCH HIGHLIGHTS

- **19%** of Saskatchewan farms reported employing foreign workers, compared to 34% for all of Canada.



Demographic Trends

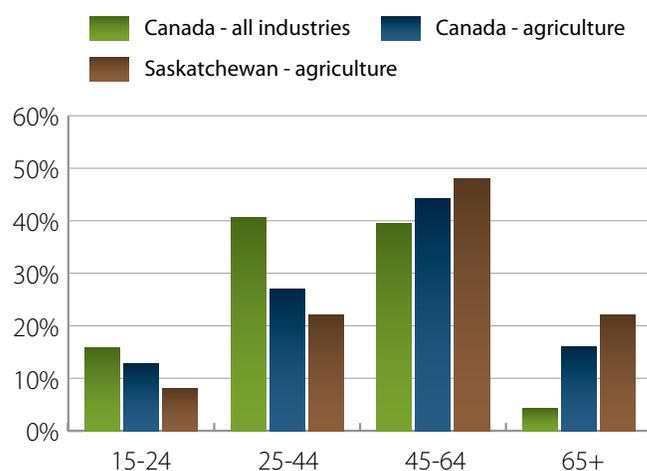
Saskatchewan's aging agricultural workforce will reduce the supply of available workers in the coming decade.

While a mild inflow of international migrants and a stable number of young workers entering the workforce are expected to provide some support to the province's labour supply over the next 10 years, these factors will not be enough to offset the effects of Saskatchewan's aging agricultural workforce.

In 2011, 70% of Saskatchewan's agriculture sector workforce was 45 years of age or older, which is higher than the average of 60% across the Canadian agriculture sector, and much higher than the average of 44% across all Canadian industries.

Retirement is expected to be the primary factor putting downward pressure on the province's future agricultural labour supply over the forecast period, with nearly one in three workers (30% of its current domestic agricultural workforce) expected to be lost to retirement between now and 2025.

2011 Workforce Age Distribution



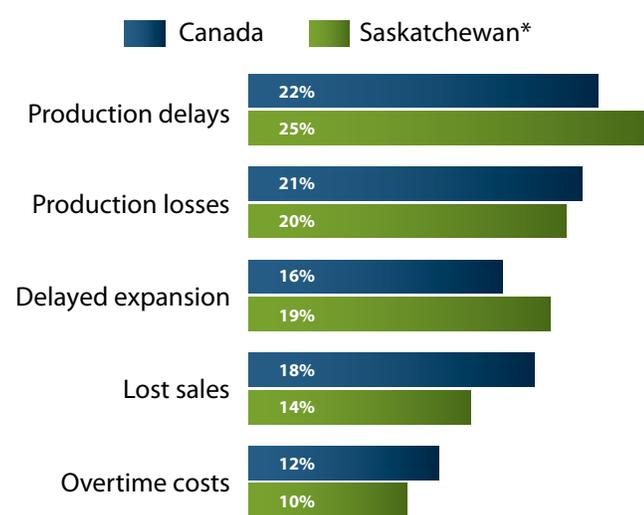
Financial Impact

Labour shortages hurt the province financially in 2014 and will continue to restrict profitability and future growth over the forecast period.

Saskatchewan's agriculture sector was unable to fill 4,500 jobs in 2014, which is equivalent to 9% of the total workforce needed. This was the highest share of any province, and higher than the average of 7% across Canada. As a result of these labour challenges, Saskatchewan's agriculture sector lost 1.8% of its sales, a percentage equivalent to \$239 million. Saskatchewan is highly vulnerable to the impact of labour challenges, because every job that goes unfilled in the 'grain and oilseed' industry, which is the province's biggest agricultural employer, costs the province \$350,000 in lost sales.

Saskatchewan's agricultural producers also reported other issues related to labour shortages. They were more likely than producers in other provinces to report that shortages impeded growth, with nearly one in five producers (19%) reporting that labour shortages caused them to delay or cancel expansion plans compared to 16% across Canada. One in four producers in the province (25%) reported production delays, and one in five (20%) reported production losses.

Percentage of Survey Respondents Impacted by Labour Shortages



*Based on the responses of 46 producers in Saskatchewan

Labour Challenges

Saskatchewan's agriculture sector faces a number of challenges in recruiting and retaining enough workers.

The province's ability to find and retain enough agricultural workers is impeded by the rural locations of agricultural operations and low rates of compensation.

Recruiting Workers

Saskatchewan's agriculture sector is affected by many of the same recruitment issues facing the sector across the country, including insufficient skills and experience among potential workers.

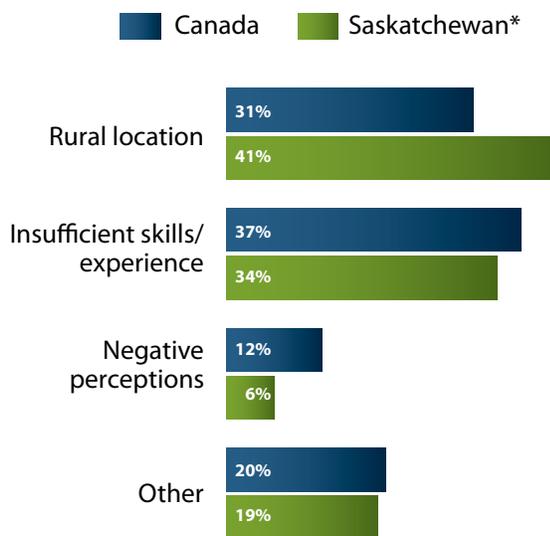
However, the province also faces some unique challenges. Only 14% of producers surveyed said that they were close to a population centre of more than 10,000 people, compared to 35% for agricultural operations nationwide. As a result, producers are more likely to have issues related to rural locations; 41% cited this as a recruitment problem, compared to 31% of producers across Canada. Specifically, declining populations in rural areas is a greater concern for producers in this province, with 14% of survey respondents indicating that it's a key barrier to recruitment, compared to 10% of producers across Canada.



Saskatchewan producers were less likely to be concerned about negative perceptions of agricultural work, with only 6% reporting that this was a barrier to recruitment, compared to 12% across Canada.

While fewer producers cited an inability to find workers with the appropriate skills or experience as a recruitment issue than the national average, it was still a key challenge for more than one in three producers (34%).

Challenges in Recruiting Workers



*Based on the responses of 95 producers in Saskatchewan



Retaining Workers

Saskatchewan’s agricultural producers have difficulties retaining workers, with two-thirds of respondents citing retention as a key factor affecting their operations. While the province has an involuntary turnover rate of just 6%, which is slightly below the national sector average of 7%, it has an above-average voluntary turnover rate of 21%, which is higher than the national sector average of 18%.

The variability in hours, which includes seasonality and long hours in season, is the top retention challenge for Saskatchewan’s producers, with 38% reporting it as an issue, compared to 36% of all producers nationwide. Specifically, 14% of the province’s producers cited too many working hours as a key retention challenge, compared to 10% of producers Canada-wide. Insufficient compensation is another key retention challenge affecting 20% of producers in this province, which is slightly higher than the average of 18% across Canada.

On a positive note, producers in this province were less likely to cite the physicality of farm work as a retention challenge; only 11% of survey respondents reported it as an issue, which is less than the national average of 17%.

Toughest Jobs to Fill

Saskatchewan’s agriculture sector will have the most trouble filling “managers in agriculture” positions, which include both owner-operators and hired managers, and “general farm worker” positions. Together, these positions accounted for 81% of the province’s sector employment in 2014, and they will make up 96% of the jobs at risk as the labour gap widens. By 2025, there will be an additional 6,830 “managers in agriculture” jobs and an additional 4,950 “general farm worker” jobs potentially going unfilled due to a lack of domestic workers.



Conclusion

Saskatchewan's agriculture sector has a positive production outlook, but a growing demand for labour, combined with a shrinking domestic workforce, threatens its profitability and growth.

After a decade of flat demand for labour, Saskatchewan's agriculture sector is entering a new decade in which the need for labour will rise. Both the province's top agricultural employers, the 'grain and oilseed' industry and the 'beef' industry, will see steadily increasing production between now and 2025.

However, the workforce is expected to trend in the opposite direction, with an additional 7,400 workers lost to retirement and other factors. This means that over the next decade, the labour gap will widen from 4,100 jobs to 13,000. By 2025, one in four jobs in Saskatchewan's agriculture sector (26%) will be at risk of going unfilled unless more foreign or domestic workers can be found.

Labour shortages cost Saskatchewan's agriculture sector \$239 million in 2014; in the future, those shortages will result in even greater losses and affect the sector's ability to thrive.

Saskatchewan faces several challenges in growing its workforce:

- Many workers are not interested in moving to rural areas or are able to travel to farms from the city for work, which presents a recruitment barrier for agricultural employers in rural locations.
- In 2011, 70% of Saskatchewan's agricultural workforce was aged 45 years or older, compared to 44% of Canada's general worker population. By 2025, 30% of these agricultural workers will have retired.
- In 2014, four in five agricultural operations reported challenges in attracting young workers.



- Saskatchewan's biggest agricultural employer, the 'grain and oilseed' industry, does not qualify for access to foreign workers through the Seasonal Agricultural Worker Program (SAWP) and the Agricultural Stream.

In terms of meeting these challenges, the province could leverage these strengths:

- Its agriculture sector has the lowest year-round involuntary turnover rates of any province.
- Highly mechanized production in the 'grain and oilseed' industry helps to reduce the amount of physical labour required by the job, which in turn can reduce turnover.
- A mild inflow of international migrants and a stable number of young workers entering the workforce are expected to provide some support to the province's labour supply growth.
- Finding ways to communicate the benefits of agricultural work to a younger demographic could help to attract more young workers.

Finding solutions to labour challenges and increasing the pool of available workers will ensure that Saskatchewan is better prepared to take advantage of an upcoming decade of growth.



About This Report

This report features data collected during a three-year research project to examine Canada's labour market situation for primary-production agricultural businesses. The project was led by the Canadian Agricultural Human Resources Council (CAHRC) and was launched in response to the unique workforce challenges faced by the agriculture sector.

The purpose was to assess the current labour market, project supply and demand for agricultural workers from 2015 until 2025, and recommend potential solutions to labour issues.

The Conference Board of Canada, commissioned by CAHRC, constructed an economic model that forecasts agricultural labour demand and supply for each province, for 11 different commodity groups, and for 25 occupational groups.

The economic model was validated through a number of industry consultation activities conducted Canada-wide, including:

- **A large-scale survey** of 813 employers, 132 workers, and 89 industry stakeholders
- **Phone interviews** with 80 industry stakeholders
- **Six focus groups** with 100 participants in total, including employers, workers, and other stakeholders
- **Seven webinars** focused on specific commodity groups, with 100 participants in total

This data was used to produce the following reports:

Commodity-specific reports and fact sheets

Apiculture ■ Aquaculture ■ Beef ■ Dairy ■ Field Fruit and Vegetable ■ Grain and Oilseed ■ Greenhouse, Nursery, and Floriculture ■ Poultry and Egg ■ Sheep and Goat ■ Swine ■ Tree Fruit and Vine

Regional reports and fact sheets

National ■ British Columbia ■ Alberta ■ Saskatchewan ■ Manitoba ■ Ontario ■ Quebec ■ New Brunswick ■ Prince Edward Island ■ Nova Scotia ■ Newfoundland and Labrador

For more information on the research, and to access additional commodity-specific, national, and provincial reports, please visit the CAHRC website at www.AgriLMI.ca.

About CAHRC

The Canadian Agricultural Human Resources Council (CAHRC) is a national, nonprofit organization focused on addressing human resource issues faced by agricultural businesses across Canada. CAHRC conducts industry research and develops products and services designed to help agricultural employers attract, retain, and develop the workforce they need to succeed.

For more information about the Council and its products and services for Canada's agriculture sector, please visit www.cahrc-ccrha.ca.





Acknowledgements:

The Canadian Agricultural Human Resource Council (CAHRC) acknowledges the support and guidance of volunteers, the Advisory Group, the Provincial LMI Panel, and the Strategic Steering Committee.

LMI Advisory Group

Chair: Newfoundland and Labrador Federation of Agriculture, Merv Wiseman
AGRIcarrières: Robert Ouellet
Agricultural Alliance of New Brunswick: Marc Ouellet
Alberta Agriculture and Forestry: Alan Dooley
British Columbia Agricultural Council: David Geen and Ken Denbok
Canadian Association of Diploma in Agriculture Programs: Peter Enright
Canadian Aquaculture Industry Alliance: Marilyn Hutchinson
Canadian Herb Spice and Natural Health Products Coalition: Connie Kehler
Canadian Federation of Agriculture: Jack Greydanus
Canadian Young Farmers Forum: Pierre-Luc Lacoste
Farm Credit Canada: Jean-Philippe (JP) Gervais
Farm Management Canada: Heather (Ferrier) Oakley and Heather Watson
Flowers Canada Growers: Ken Linington
Canadian Nursery and Landscape Association: Sally Harvey
Manitoba Agriculture: Stephanie Cruickshanks
Nova Scotia Federation of Agriculture: Lloyd Dyck
Ontario Federation of Agriculture: Peter Sykanda
Ontario Ministry of Agriculture and Food and Rural Affairs: Barb Alves; Gail Gimpelj; Michael Weber; Rob Gamble and Nathan Stevens
Prince Edward Island Agriculture Sector Council: Basil Attwood
Saskatchewan Agriculture: Bob Wiens
Sunterra Farms: Mark Chambers

Provincial LMI Panel

Chair: Newfoundland and Labrador Federation of Agriculture, Merv Wiseman
British Columbia: B.C. Agriculture, Heather Anderson, B.C. Jobs, Tourism and Skills Training, Yu Li
Alberta: Alberta Agriculture and Forestry, Gerard Bos
Saskatchewan: Saskatchewan Agriculture, Bob Wiens, Ministry of the Economy, Leah Goodwin
Manitoba: Manitoba Agriculture, Food and Rural Development, Stephanie Cruickshanks, Manitoba Jobs and the Economy, Mona Pandey, Stacy Quinn and Matthias Rust
Ontario: Ontario Ministry of Agriculture and Food & Rural Affairs, Barb Alves, Gail Gimpelj, Michael Weber, Rob Gamble and Nathan Stevens
Nova Scotia: Nova Scotia Agriculture, Bettina Brown
Quebec: AGRIcarrières, Robert Ouellet
New Brunswick: New Brunswick Post-Secondary Education, Training and Labour, Meghann Douglas
Prince Edward Island: Prince Edward Island Department of Agriculture and Forestry: Colleen Younie and Chris Jordan
Newfoundland and Labrador: Advanced Education, Skills and Labour, Government of Newfoundland and Labrador, Derrick Barrett
Agriculture and Agri-Food Canada: Li Xue

The use of any part of this publication, whether it is reproduced, stored in a retrieval system, or transmitted in any form or by any means (including electronic, mechanical, photographic, photocopying or recording), without the prior written permission of CAHRC is an infringement of copyright law.

Canadian Agricultural Human Resource Council

Published May 2016

T: 613.745.7457

E: info@cahrc-ccrha.ca

This document may be downloaded from www.cahrc-ccrha.ca

All rights reserved. © 2016 CAHRC

Photo credits: Alberta Pork, Canadian Sheep Federation, Doug Chorney, Krista Connick-Todd, Vicki Dutton, Eastern View Farms, MOPANI, Lydia Schouten, Casey Vander Ploeg